THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): In the light of recent developments relating to failure of some large financial institutions in USA and Europe, Reserve Bank of India (RBI) has undertaken an assessment of the exposure of major Indian banks to these entities as on 30th September, 2008. The assessment covered 37 banks' exposure, in fund and non-fund based terms, to the five entities *viz* Wachovia Corpn., Washington Mutual, AIG, Fortis and Lehman Brothers as also the provision made by the banks so far against such exposures. The total exposure of the banks to these five entities aggregated USD 1079.80 million comprising of USD 445.60 Million of fund based exposure and USD 634.20 million of non-fund based exposure. The exposures mainly consisted of derivative transaction (notional principal), investments, nostro balances, bank guarantees, forex exposures, etc. As on 30th September, 2008, the concerned Indian banks have, put together, made an aggregate provision of USD 47.30 million on these exposures.

Linking of PF accounts

2404. SHRIMATI T. RATNA BAI: Will the PRIME MINISTER be pleased to state:

(a) whether all the Provident Fund (PF) accounts would be linked to an all-India network and operations would be from a nodal centre using the core banking principles;

(b) if so, the details thereof; and

(c) how it would be practically useful to the PF subscribers?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (c) Employees' Provident Fund Organisation (EPFO) is working on its modernization project on collaboration with National Informatics Centre (NIC). Initially, the new software application, that is presently under development would function in a decentralized fashion. After stabilization of the new software, consolidation of data and providing services in centralized fashion would be taken up. After data is consolidated and service delivery centralized, the subscribers would be in a position to access service on real time basis.

Protection of investments in share market

†2405. SHRI AJAY SINGH CHAUTALA: Will the PRIME MINISTER be pleased to state:

(a) the measures adopted to protect the investments made by Foreign Institutional Investors (FIIs) and small investors in Indian share market;

(b) whether Government would consider to set up a long term mechanism in this regard; and

(c) if so, by when this will be set up?

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†Original notice of the question was received in Hindi.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (c) Investments in the securities market are subject to market risks. Investors, whether small or big, retail or institutional, foreign or domestic are expected to take informed investment decisions based on disclosures made by issuers. SEBI does not influence the price movement in any manner by intervening in the market. The price movements of stocks are left to the market forces to determine. However, SEBI has taken the following measures to protect the interest of investors in the securities market:

(i) Laid down various Regulations, Guidelines and circulars for regulating the securities market, and to ensure safety, transparency and efficiency in the securities market.

(ii) Undertakes market surveillance, inspections and investigations and takes enforcement measures in cases of breach of norms related to capital market.

(iii) Advises Stock Exchanges to ensure that brokers provide daily report to each of their clients, clearly bringing out the client trades and margin liability.

(iv) Conducts public awareness programs with special focus on the prevailing margin system, including computation and imposition of the margins. PAN is made mandatory to strengthen Know Your Client (KYC) norms, thereby facilitating sound audit trail of transaction in the securities market. This would render the markets safer and more secure by addressing the possible risks and ensure transparency in the securities market. Stock Exchanges have been advised to ensure that the brokers update the KYCs periodically.

(v) Additionally, from time to time the Stock Exchanges also are issuing list of Do's and Dont's through leading English and Hindi newspapers for investors with regard to dealing in securities. SEBI also emphasises the same through its periodically conducted investor education programmes.

(vi) SEBI has a separate office namely Office of Investor Assistance and Education (OIAE) as single window interface for redressal of grievances from investors. Investors can submit the grievances against intermediaries or listed companies at any of the four offices of the SEBI, located at Mumbai, Delhi, Chennai and Kolkata.

(vii) SEBI has also recognized Investors Associations from all over the country, which conducts workshops in towns and cities to enhance investor awareness of securities market. These workshops in which subject experts participates help both investors having prior experience and also potential investors.

(viii) The educational materials printed by SEBI and frequently asked questions on various topics are hosted on the investor website of SEBI *http://investor.sebi.gov.in* for use of investors.